

Public Hearing: January 12, 2004

F A C T S H E E T

TITLE: Lease of an articulated frame four-wheel drive motor grader for use by the Parks & Recreation Department in construction and maintenance projects.

SPONSOR: Public Works & Utilities

OPPONENTS: Unknown

STAFF RECOMMENDATION: For

OTHER DEPARTMENTS AFFECTED:

Parks & Recreation (equipment provided through Public Works & Utilities Fleet Services Section)

APPLICANT: Public Works & Utilities

REASON FOR LEGISLATION: To accept and approve a five year/5,000 hour lease agreement with a buy out option between the City of Lincoln and Deere Credit Inc. to provide an articulated frame four-wheel drive motor grader for use by the Parks & Recreation Department in construction and maintenance projects.

D I S C U S S I O N

In leasing this motor grader we are controlling our depreciation liability through a fixed residual or buy out cost. It also allows us the ability to completely evaluate all factors associated with procuring equipment at the lowest overall cost prior to making a purchase commitment. By making a purchase evaluation at the end of the lease term all pertinent information required to make an informed decision is available. This will result in our ability to provide a dependable motor grader in the most cost effective manner.

POLICY OR PROGRAM CHANGE: None

COST OF TOTAL PROJECT: \$79,541.75

SOURCE OF FUNDS: Fleet Services Section Operating Budget

CITY: \$79,541.75

NON CITY: None

BENEFIT COST:

FACT SHEET PREPARED BY:

Jim Chiles, Street Maintenance Operations

REVIEWED BY:

Director of Public Works/Utilities